VZCZCXYZ0000 RR RUEHWEB

DE RUEHBE #0341/01 1102017 ZNY CCCCC ZZH R 202017Z APR 06 FM AMEMBASSY BELIZE TO RUEHC/SECSTATE WASHDC 9928 INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

CONFIDENTIAL BELIZE 000341

STPDTS

SIPDIS

FOR WHA/CEN JASON MACK

E.O. 12958: DECL: 04/19/2016

TAGS: PREL PGOV PINR SNAR ECON EFIN EIND EPET BH

SUBJECT: BELIZE: CABINET RESHUFFLE

REF: A. 04 BELIZE 1041

1B. 05 BELIZE 902

1C. 06 BELIZE 289

¶D. 05 BELIZE 941

1E. 06 BELIZE 211

¶F. 06 BELIZE 178

Classified By: Ambassador Robert J. Dieter for reason 1.5(B)

SUMMARY AND ANALYSIS

In an effort to shore up his Government's diminished popularity, Prime Minister Said Musa has re-shuffled his Cabinet, reintegrating popular members of the ruling People's United Party (PUP). Whether Musa can restore the PUP's fortunes in time for the next national elections, which must be held no later than June 2008, remains an open question. In the wake of a series of financial scandals that have eroded the Government's standing, a weary Belizean electorate understands all too well that the inseparable tandem of Musa and his powerful Minister of Home Affairs Ralph Fonseca retains real power- regardless of the Cabinet's configuration.

End Summary and Analysis.

- ¶2. (SBU) Following a long-anticipated realignment announced on April 12, the Government of Belize's Cabinet now is as follows:
- $\underline{\mathbb{1}}$ 1. Hon. Said Musa Prime Minister, Minister of Finance $\underline{\mathbb{1}}$ 2. Hon. John Briceno Deputy Prime Minister, Minister of Natural Resources and the Environment
- 13. Hon. Eamon Courtenay appointed Senator, Minister of Foreign Affairs and Foreign Trade
- ¶4. Hon. Ralph Fonseca Minister of Home Affairs and Public Utilities
- 15. Hon. Francis Fonseca Attorney General, Minister of Education, Minister of Labor
- 16. Hon. Michael Espat Minister of Works
 17. Hon. Godfrey Smith Minister of Tourism, Information and National Emergency Management (NEMO)
- 18. Hon. Cordel Hyde Minister of Defence, Housing, Youth and Sports
- Hon. Mark Espat Minister of National Development
 Hon. Jose Coye Minister of Health, Local Government, Transport and Communications
- 11. Hon. Vildo Marin Minister of Agriculture and Fisheries
- Hon. Sylvia Flores Minister of Human Development <u>¶</u>12.

Ministers of State:

Hon. Marcial Mes - Natural Resources

Hon. Servulo Baeza - Foreign Trade

Hon. Mario Castellanos - National Development with

responsibility for Rural Development

Hon. Ismael Cal - Home Affairs

Hon. Rodwell Ferguson - Education

Hon. Ainslie Leslie - Works

(Note: Ministers of State are not members of Cabinet, but may attend Cabinet meetings at the invitation of the Prime Minister.)

Ruling PUP Reasserts Its More Popular Side

- 3.(C) Since the PUP's poor showing in municipal elections of March 1 (Ref E) -- openly acknowledged by PM Musa and senior party officials to have been a "wake-up call" from a disenchanted Belizean electorate -- a cabinet re-shuffle has been widely anticipated. Shrewdly, Musa now has brought back into the fold all of the rebellious PUP members from the August, 2004, "Revolt of the Samurai" (reftels). Conspicuously, Eamon Courtenay's appointment to the Senate and assumption of duties as Minister of Foreign Affairs and Foreign Trade puts one of the country's most capable figures, and an expert on trade matters, back in a high-profile portfolio. This comes in addition to Courtenay's recent designation as Chairman of the Petroleum Advisory Board (Ref F) (note: post will provide updated biographic info septel).
- 4.(C) The PM also adroitly has brought in members of the powerful PUP "northern coalition"-- Servulo Baeza, Mario Castellanos, and Ismael Cal-- as Ministers of State. Conversely, Godfrey Smith, who recently has suffered from allegations of corruption in connection with the Belize $\,$ Intellectual Property Office (BELIPO) scandal (refs B,C), has lost the Foreign Affairs portfolio while retaining Tourim, Information, and NEMO (National Emergency Management Office). Over recent weeks, the PUP has orchestrated something of a media campaign highlighting the accomplishments of Minister of National Development Mark Espat, the popular former Samurai who had contemplated launching a third party but subsequently returned to the PUP fold.

Musa-Fonseca Tandem Retains Control

5.(C) In many respects, the most recent re-shuffle is the inverse of the December, 2004 Cabinet shake-up (Reftel A): then, PM Musa divided rebellious "Samurai" ministers, ousted party opponents, and took direct control of the Finance and Defense portfolios; now, he has completed an adroit reconciliation with party dissidents in an effort to shore up the PUP's diminished popularity. Whether this strategy can restore the party's fortunes in time for the next national elections, which must be held no later than June 2008, remains an open question. In the wake of a series of financial scandals that have eroded the Government's standing (reftels), a weary Belizean electorate understands all too well that the inseparable tandem of PM Musa and his powerful Minister of Home Affairs Ralph Fonseca retains real power regardless of the Cabinet's configuration. DIETER